

When They Shall Have Learned to Think and to Say Restoration, Then Peace by Negotiation Will Be Morally Possible

23 Killed in Airplane Raid On England

Nine Women and Six Chil-
dren Among the Slain;
Fifty Hurt

20 German 'Planes In Attack on Coast

Bombs Dropped on Mar-
gate, Seashore Resort;
Raiders Driven Off

LONDON, Aug. 12.—Twenty-three
persons, including nine women and six
children, were killed and fifty persons
were injured at Southend, in Essex,
forty miles east of London, by bombs
dropped by German raiders to-day, says
an official statement issued to-night.
Considerable damage to property was
caused at Southend by the nearly forty
bombs dropped upon the town.

Two men were injured at Rochford.
Four bombs dropped on Margate, in
Kent, did little damage. The statement
follows:
"Enemy raiders caused considerable
damage at Southend, where they
dropped about forty bombs. The casu-
alties thus far reported are:
"Killed, eight men, nine women, six
children. About fifty people were in-
jured."

"At Rochford two men were injured,
but no damage is reported." At Mar-
gate four bombs were dropped. One
uninhabited house was demolished, but
there were no casualties."

The text of the official statement
says:
"About 5:15 o'clock this afternoon
a squadron of about twenty enemy air-
planes were reported off Felixstowe (in
Suffolk). They skirted the coast to
Dedham (Essex), where they apparently
divided, a part going south to Mar-
gate (in Kent). The remainder crossed
the coast and went southeast toward
Wickford, near which place they turned
southeast and dropped bombs in the
neighborhood of Southend (in Essex).
Some bombs also were dropped on Mar-
gate."

"No reports of damages or casualties
have yet been received. Our own air-
craft were very quickly in the air and
they pursued the enemy out to sea."

French Aviators Drop Bombs on Frankfurt In Retaliation Raid

PARIS, Aug. 12.—Two French avia-
tors yesterday dropped bombs on Frank-
furt-on-the-Main, one of the most im-
portant cities of the German Empire,
having a population of more than
100,000. A French official statement
says it was in retaliation for the Ger-
man aerial bombardment of Nancy and
the region north of Paris. Both French
machines returned undamaged. The
text of the announcement reads:
"In reprisal for the German bomb-
ardments of Nancy and the region
north of Paris, two of our machines,
piloted by Lieutenants Mesengues and
de la Motte, Beauport, yesterday
dropped bombs on Frankfurt-on-the-
Main. Both machines returned un-
damaged."

"It is confirmed that a German avia-
tor was brought down August 9 on the
Belgian front. Yesterday a German
machine was shot down by machine-
guns near the northeast of Vauxhall."

19 Fishermen Lost, 8 Others Missing, in Gales Off Cape Cod

Provincetown Mariners Drowned
—Gloucester Men Have Not
Yet Reported

BOSTON, Aug. 12.—Nineteen fisher-
men of Provincetown were drowned
when the dories in which they were
fishing off Cape Cod were swamped in
a gale late Friday afternoon.
The men were from the fishing schoo-
ners Mary C. Santos and Natalie J.
Johnson, which arrived here to-night.
Eight Gloucester fishermen, compris-
ing the crews of the small fishing
schooners Daniel and Alice Stetson,
also were believed to have been lost in
the gale. Members of the crew of the
fishing schooner Virginia reported that
they had seen both the Daniel and the
Alice and later saw boats and
fragments from both craft wash by.
Several other fishing schooners re-
ported narrow escapes for their crews.
A storm struck the fishing fleet
about thirty miles south by southeast
of Provincetown, a sixty-five-mile wind
blowing from the southeast and
rapidly veering to the northwest.

German-Americanisms

From The Staats-Zeitung, August 11
General Roosevelt will not console himself
with the title of major general of his friend
Taft until the German-American press is
so subdued in the English language. "So
the one man at least read what it wrote."
This is the same Roosevelt, who (accord-
ing to the "Washington Herald") knew
the "Hindenburg" by heart. Who, he
is still thought he could catch the
name of the German-American, and the dear
Roosevelt who followed him because of "his
own membership to the Kaiser," to believe
him already in his childhood in Germany he
had learned the German language, studied in
German universities, etc. And this man now
never even read when a German-American
wrote him what he is, what he always
was.

U-Boat Crew Captures 4 U.S. Naval Gunners

Captain of Standard Oil
Tanker Campana Also
Believed a Captive

[Special Correspondent]
WASHINGTON, Aug. 12.—Word has
reached here that the Standard Oil
tanker Campana was sunk on August
6 by a German submarine. It is be-
lieved by the Navy Department that
not only the captain of the ship but
four members of the armed guard were
made prisoners. This is the first time
that any American sailors acting as
guards have been made prisoners by
the Germans. The attack occurred off
the west coast of France.

The Germans have been making the
captains of all vessels prisoners re-
cently, their idea being, so far as it
was understood here, to aid their cam-
paign for wiping out ocean-going ton-
nage by depriving the Allies of effi-
cient navigators, especially as it is
known that there is a serious shortage
of officers capable of operating ships.

The Navy Department issued the fol-
lowing statement, with the urgent re-
quest that no other details be printed,
no matter from what source obtained:
"The Standard Oil tanker Campana,
an American steamer, was sunk by a
submarine on the morning of August
6, 143 miles west of Ile de Re. Forty-
seven survivors reached land in safety.

9,000-Ton American Ship Sunk; All Saved

NEW BEDFORD, Mass., Aug. 12.—
The loss of the American steamer City
of Athens and the rescue and landing
of an African port of all the passengers
was announced in a cable message re-
ceived to-night in this city from a
South African port.

No details of the mishap were given.
The message simply stated: "All pas-
sengers saved. Everything lost."
The steamer was bound from an
American port and had seven mission-
aries on board, representing a local re-
ligious organization.

The City of Athens registered 9,000
tons and was owned by the American
Navigation Company.

Crew of Torpedoed American Ship Saved

AN ATLANTIC PORT, Aug. 12.—The
captain and the six members of the
crew of the American schooner John
Hays Hammond, sunk by a German
submarine on July 27 while on a voy-
age from England to Iceland, arrived
here to-day on an American steamship.

Cable dispatches telling of the loss
of the schooner had said nothing of the
fate of the crew.

American Captain Takes First U. S. Prisoner in Trench

With Automatic Forces 220-
Pound German Sergeant
to Surrender

By Heywood Brown
(Accredited to the Pershing Army in
France for The New York Tribune
and Syndicate)

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CONTROLE AMERICAIN, AMERI-
CAN EXPEDITIONARY ARMY, Aug.
12.—An American captain, who re-
turned from the French front to-day,
took a German prisoner.

The officer was at the front only for
observation, but when he heard that a
small raid was planned, he begged to
be included in the party. His French
guide objected, saying: "My orders are
not to get you killed."

"I hope you carry out your orders,"
replied the American, "but I have been
instructed to see just as much as I
can."

He won his point and made the trip
over No Man's Land to a close lying
trench.
The German was subdued when
prodded in the abdomen with an auto-
matic, but the captain was anxious to
reserve his souvenir intact. The Ger-
man was a sergeant. His captors found
it impossible to move him to enthu-
siasm by the information that he had
the honor to be the first German cap-
tured by an American. He weighed 220
pounds, and was the largest German
taken on that particular front in more
than a month.
The attention of the Americans from
now on will be largely devoted to rifle
practice. There seems to be some dif-
ficulty in obtaining ranges. There are
now several 200-yard ranges, but none
has yet been constructed for longer
work. A location, however, has been
found for two 1,600-yard ranges, where
sniping can be taught.
The construction of ranges is diffi-
cult, on account of the labor of digging
pits through the rock soil. In one
place half the work was done by the
French and left for the Americans to
complete. The Sammlers found their
side much harder, and, indeed, the
work of getting the pick through
seemed so arduous that the officer or-
dered his men to quit the job. A gen-
eral arrived quickly, commanding
this order:
"I'm not going to have any of my
men say 'can't' while the French can
hear them," he said. And the work
was carried to completion.

Draft Bribery Before U. S. Jury To-day

Many to Testify Against
Accused East Side
Exemptors

Those They Rejected Will Be Re-examined

Indictments Against Others,
Not Yet Under Arrest,
Predicted

The Federal grand jury to-day will
take action on the cases of Louis I.
Cherry, Dr. S. J. Bernfeld and Kalman
Gruher, the alleged go-between, who
were arrested Saturday charged with
violations of the selective draft act.

John C. Knox and Edward M. Stan-
ton, Assistant United States Attorneys,
spent the day in the Federal Building
examining witnesses who will be called
before the grand jury to-day. They
said that additional evidence was ob-
tained tending to show that men had
been exempted from the draft for sums
ranging from \$100 to \$300.

Other Boards Investigated

While Mr. Knox and Mr. Stanton
were examining these witnesses, many
of whom had been exempted by the
board, William M. Offley, local super-
intendent of the Bureau of Investiga-
tion of the Department of Justice, and
his staff were busy running down re-
ported irregularities, not only of Board
99, but other boards.

Deputy Attorney General Roscoe S.
Conkling, with several men from his
staff, spent the day at the headquar-
ters of Board 99 in Public School 88,
at Rivington and Lewis streets. On
his return to his office last night Mr.
Conkling said:

"We have made a thorough investi-
gation of the records kept by the
board, and find that they were kept in
accordance with the regulations. But
just how many of the exempted men
were illegally classified as physically
unfit we will not know until we have
reexamined all."

Mr. Conkling said that, in justice to
the other boards throughout the city,
it ought to be said that the members
of the boards did their work faithfully
and patriotically.

"It is true that there have been
complaints made against a few of
them," continued Mr. Conkling, "but
most of them bear on their faces evi-
dence of spiteful motives. All com-
plaints, anonymous and otherwise, are
immediately turned over to the De-
partment of Justice."

New Board in District 99

Mr. Conkling announced that a new
board has been selected to reexamine
all the youth of selective draft age in
Exemption District 99. The members
of the board are Max Steindler, of 277
Stanton Street; Louis Birnha, of 95
Cannon Street, and Dr. L. Spanier, of
103 Cannon Street. The names of the
three men were telegraphed to Wash-
ington yesterday, and their confirma-
tion by the President is expected the first
thing this morning, so that the work
of the board can begin not later than
noon.

Mr. Conkling said that the non-med-
ical members were recommended to the
Governor by the Mayor's Committee,
and Dr. Spanier was selected by his
office.

The state and Federal officials main-
tained considerable secrecy regarding
the result of yesterday's investiga-
tions. Assistant United States Attor-
ney Knox, however, admitted that the
charges against the three men grew
more serious as the investigation pro-
gressed.

Others Face Arrest

If the stories told yesterday are cor-
roborated, indictments against men not
yet under arrest will be found. In ju-
stice to Dr. Henry M. Groch, brother of
Magistrate Groch, the third member of
the board, it must be said that yester-
day's investigation only served to ex-
onerate him completely.

The indictment will probably charge
those named therein with conspiring to
violate the selective draft act, an of-
fense punishable by two years' impris-
onment and \$10,000 fine. It was on this
charge that Emma Goldman was con-
victed.

The prisoners will be arraigned be-
fore Commissioner Hitchcock this
morning, when they will offer \$10,000
cash bail.

Other news of city draft ex-
emption boards on last page.

Jellicoe May Retire As First Sea Lord

LONDON, Aug. 12.—In well informed
naval circles, says "The Sunday Times,"
a further change in the personnel of
the Admiralty Board is expected short-
ly, as Admiral Jellicoe, the First Sea
Lord, feels that he is in urgent need of
rest.

In the event of Admiral Jellicoe's resig-
nation, the newspaper adds, Vice-Ad-
miral Sir David Beatty, commander of
the British Grand Fleet, probably may
succeed him.

HURRY, DOC! IT MAY NOT BE TOO LATE



The Way to Win: Socialization Of Business, Not Socialism

By CHARLES FERGUSON
Author of "The Great News," special investigator of big business
in Europe for the United States government before the war.

WASHINGTON, August 12.
W ASHINGTON is now facing the
ultimate problem—the deep-
est issue of the war. It is
not to be wondered at that the solution
comes hard. The European Allies
faced this problem before we did—and
faced it more acutely. If they had not
missed the answer, if they had not
missed they would have defeated the
Central Powers without the need of
military help from the United States.

The weakness of Britain, France,
Italy and Russia in relation to the
Teutonic group is due to their inferior
success in correlating the forces of
business with the forces of politics. In
Britain, France, Italy and Russia the
outbreak of the war found the consti-
tution of business working at cross-
purposes with the political constitu-
tion. And, in spite of the mighty ef-
forts that have been made in all these
countries to resolve this internal con-
tradiction, it still remains. It saps
their strength. That is why they are
compelled to stretch out to us their
supplicating hands.

All these countries are torn at the
heart by a conflict between the public
purpose—now expressing itself in
terms of socialism—and the business
interests of the investing class. Nothing
important has yet been done in any
of them to change the inner motive
and spirit of business or to harmonize
the operation of its organic plan. In
each and all of them socialistic poli-
tics has gripped business by the throat
and has forced it to adopt a temporary
behavior that is uncharacteristic of the
commercial and business nature. It has
been compelled to act socially—not al-
together, indeed, but in considerable
measure.

Conflict of Business And the Public Purpose

On all hands in the circles of highest
influence it has been assumed that
this is enough. Nobody in those cir-
cles seems to have given a moment's
thought to the idea that it is possible
to make the business system complete-
ly and autonomously social—that it is
possible to change the spirit and con-
stitution of business that it shall move
of its own motion in harmony with
the public purpose. That idea has
not even been broached in the
cabinets and great councils.

It has been taken for granted by
publicists, and assented to with ex-
traordinary meekness by most business
men, that the traditional principles of
business are valid only for quiet
times, and that the normal vitality of
the business world must consent to
suffer a certain degree of temporary
asphyxiation in order to effect a tol-
erable correspondence between the
working organization of society and
the fighting organization.

The point to be made here is that a
repressed force is still a force, and
that the strength of the European Al-
lies is gravely impaired because of
the habitual instincts of business
under arrest, and that this strength
fails to reach anything like its natu-
ral maximum because the working or-
ganization acts grudgingly and under
duress—submitting to a law that is
external and uncongenial.

Everywhere among the European
Allies the business system husbands

as best it can under the war pressure
the spirit and tradition of its unso-
cial ante-bellum days—resolved to break
loose from its social bondage at the
moment when peace shall come again.
And everywhere the gathering forces
of radical socialism are determined that
it shall never break loose. Thus we
are preparing not only for an inter-
national commercial war after the war,
but for civil wars as well.

Riddle of the Age For U. S. to Solve

Because our European Allies have
failed to solve the Sphinx riddle of the
age—have failed to find a synthesis of
the truth for which socialism contends
and the truth that is embodied in the
business system—it has come to pass
that the whole weight of the world's
perplexity has been cast upon the
United States. And it is with this
problem that the Administration here
is now bravely wrestling.

The fateful question—perhaps al-
ways to be associated in history with
the heat and nerve-strain of these op-
pressive Washington summer days—
poses itself in a way that seems dread-
fully undramatic. It comes down to a
matter of price fixing.

The radical defect of the food con-
trol bill, which has at last got through
Congress, and of the other measures
that give the government emergency
powers over the business system, is
that they follow the false lead of En-
gland and France. They proceed upon
the assumption that the ante-bellum
order of business must of course sur-
vive the war and needs only to sub-
mit to temporary restriction.

This is all wrong—fatally wrong.
It is not possible to win the war by
following the lines of European fail-
ure. It is necessary to address our-
selves to a definitive solution of the
historical contradiction between busi-
ness and politics. It is necessary to
socialize the business system on a per-
manent basis.

We must break the spell of the delu-
sion that this war is a mere episode
in human history; that it will leave the
old order of business and politics in-
tact. We must understand that we have
come to the end of an era and to the
threshold of a new age. With this un-
derstanding it should be plain to intel-
ligent men that the war cannot be won
by those who cling to the past. It will
be won by new methods, by the prac-
tical application of ideas that are
strange and foreign to the past, but
native to the future.

Men of excellent understanding, who do
not fail to perceive that the business
system must before long be thoroughly
regenerated (I have in mind such men
as Franklin E. Lane, John Moody and
Herbert C. Hoover) are yet of the opin-
ion that the great change cannot take
place until after the war. I marvel that
men of that quality should fail to per-
ceive that a transforming change in the
spirit and method of business cannot
be postponed; that it is not a question
of ideal aims and social justice, but of
the need of force to fight with. To say
that we must wait until after the war
for the socialization of business and
the scientific rectification of our war-
time working system is a council of
confusion that can lead only to hu-
miliation and defeat.

As it may be European to muddle and
temporize in this manner, but I pro-
test it is not American. There is deep

in the soul of America a prophetic in-
stinct that reaches forward to the new
age. The American spirit has a repul-
sion for socialism that is precisely
equal to its repulsion for plutocracy.
It feels deeply—but as yet without
clear intellectual or practical guidance
—that the principle of dare-devil enter-
prise and personal initiative that bot-
toms the business order is in the world
to stay, that it is a principle not of
weakness but of strength, that it can
be turned to public uses and made to
spread consternation in the tamed
ranks of autocracy.

Thus it is not at all in accordance
with the American genius that in the
hour of our great need for strength
this free creative power—incalculable
and hitherto unconquered—should be
put under bureaucratic bonds and made
to sit and wait for peace.

Why Should American Genius Wait for Peace?

It may be English, French or Rus-
sian to turn Socialist in a supreme
emergency. But it is not American.
It is perhaps true that there is no coun-
try in Europe whose politics does not
by old habit cover at least six-tenths
of the social life. In such countries it
might have been expected that the so-
cial unity necessary for a great trial
would be sought through the sublima-
tion of politics—that is, through Socialism.

But the case has been entirely dif-
ferent in the United States. Politics
with us has never covered more than
one-tenth of the area of the common
life. Our social centre of gravity has
never rested in the realm of official-
ism, but quite outside that realm.
Business has absorbed by far the major
part of the energy and intelligence of
the country.

Going in this manner to the great
arbitrament—nine-tenths business and
one-tenth politics—and being obliged
to pull ourselves together and to be-
come all of one piece—the question
was and is: Shall we make business
social or shall we make politics in-
dustrial?

The incommodity of the latter course
lies in its demand for a kind of miracle
(as if Jonah had swallowed the whale)
and in the fact that most of the indus-
trial science and experience of the
country is lodged as inextricably in
the business organism as a living brain
in a human body.
Here is the case: It is necessary that
our working organization be purged of
private greed and made to work en-
tirely for the public; the government
has the sound public purpose, but the
business system, on the other hand, has
the science, but is confessedly weak on
the side of social devotion.
I submit that spiritual conversion is
in its nature a swifter process than
technical education, and that we can
make a shorter cut to unshakeable
power and arms power by putting a
new spirit into the business system
than by trying to put a well-nigh super-
human science into these Washington
bureaus.

There is a group of business men
here engaged in the public service—
mostly without compensation—who
agree with the foregoing propositions.
They will make the best of wrong de-
cisions if right ones cannot be reached.
They would wish to suppress the criti-
cism here made—if it seemed to them
to be anything less than vital to the
hope of victory.

Hoover Will Take Complete Control Of Nation's Wheat

Prices of Winter
Coal To Be Fixed
By the President

Wilson Plans Early Step Under
Food Law to Protect
Consumers

Food Administration Ready
to Take Over All of
1917 Harvest
H. A. Garfield Heads
Price Commission
Government Agencies Are
Planned; Cost To Be
Forced Down

WASHINGTON, Aug. 12.—That the
first definite price-fixing move to be
undertaken by the government will re-
late to coal is now practically certain,
and action that will reveal the policy
to be pursued is expected this week.
Under the food law the President,
through the Federal Trade Commission,
has the following powers:

To fix the price of coal wherever
sold and to establish rules for its pro-
duction, shipment and distribution.
To take over the plant of any dealer
who refuses to conform to such prices
and operate it for the government.

To require all producers of coal in
the country or in any particular area
to sell their product to the government,
which through some agency—the Trade
Commission probably—can sell coal to
the public at prices determined by the
government, the prices to be based upon
"fair and just profit over and above the
cost of production," as fixed by the
commission.

The pooling alternative plan author-
ized in the law, it is believed to-night,
will be followed by the President and
Trade Commission at the outset, there
being no intention to take over the
coal mines, even in cases of pro-
ducers who might deliberately seek to
defy the government.

Working of Pooling Plan

The pooling plan in the food law is
a result of the Trade Commission's
recent report to Congress. The
report said:
"If the producer at each mine were
paid his full cost of production, with
allowance for depreciation, maintain-
ance, upkeep and all the usual items,
and to this were added a fixed and
uniform net profit per ton, with due
regard to quality, the coal thus pro-
duced at widely varying costs, if
pooled, could be sold through the gov-
ernment at an average and uniform
price, quality considered, which would
be entirely tolerable to the consuming
public, and a price much lower than
could be fixed if an effort were made
to fix a uniform price to the producer."

The pooling of all coal in this coun-
try in the hands of the government, in
the opinion of some members of the
commission, will be the most accept-
able form of price regulation. It is
held that it can be put in effect within
a few weeks after the commission's
investigation into the cost of produc-
tion is announced. It is contended that
it is able to get in immediately, reduc-
ing winter prices to consumers.

Public Opinion a Factor

Some members of the Administra-
tion believe that by bringing about
the pooling of coal prices for the public
before the winter sets in, the Presi-
dent will range public sentiment solidly
behind him in whatever he may at-
tempt in other directions along the
line of price regulation.

If the plan is put into effect, it is
said, no coal dealer will have to go out
of business. He will merely have all
coal allotted to him by the govern-
ment, which will charge him for the coal
properly shipped to him from the mines.
He will receive from the government a
fixed list of prices at which the coal
must be sold at his yard, and he will
know exactly the price which the gov-
ernment will charge him for the coal.
It is insisted that there will be insured
to him a sufficient profit to warrant his
remaining in business.

Peace Not in Sight, View of Judge Gary

War Might Have Ended Two
Years Ago, He Says;
"Allies Will Win"

TACOMA, Wash., Aug. 12.—Judge E.
H. Gary, head of the United States
Steel Corporation, sees no "signs of an
early peace." In speaking of the war
situation, Judge Gary said here to-day:
"I don't believe there are any signs
of an early peace from the information
I am able to get."
"Two years ago there could have been
a settlement on a pretty fair basis—
one which would have secured the in-
tegrity of all the countries and with
practically the same geographical lines
which existed when the war com-
menced, and what is more important,
the establishment of a basis for the
prevention of future wars. I have
some information which leads me to
that conclusion."

"In any event, it is only a question
of time when the Allies must be suc-
cessful."
Judge Gary is here on a vacation
trip and will go later to Alaska.

Taft's Condition Improves

Obtains Best Night's Rest
Since Attack Last Tuesday

CLAY CENTRE, Kan., Aug. 12.—Con-
tinued improvement in the condition of
William H. Taft was reported to-day by
his physician, Dr. B. F. Morgan. Con-
siderable nourishment was taken by
the former President, following a
night's rest in which he slept better
than at any time since an attack of
intestinal indigestion sent him to his
bed last Tuesday, causing the post-
ponement of his lecture tour.
Although his patient is making excel-
lent progress, Dr. Morgan refused to
state when he believed Mr. Taft would
be able to leave for his summer home
in Canada.

"It must be evident that the United
States government can more justly
deal with the situation than any of
the agencies mentioned."
"Therefore, the food administration
has determined to take the following
course:
"First—In order to eliminate specula-
tion in wheat and flour all elevators and
mills over one hundred barrels daily
capacity will be required to take out a
government license, and the conditions
of this license to be:
"That only reasonable and customary
charges shall be made for warehouse
service; that no wheat shall be stored
for more than thirty days without the
approval of the food administration;
that certain information as to receipts
and shipments shall be supplied regu-
larly. The grain exchanges are being
asked to suspend all dealings and quot-
ations in future wheat. These regul-